



# NEWS RELEASE

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### **Rule Change Will Allow More Small Businesses to Qualify for SBA Assistance**

**WASHINGTON** - The U.S. Small Business Administration has increased its revenue-based size standard for small businesses in the facilities support services industry from \$6 million in average annual receipts to \$30 million.

The new size standard will allow more companies to qualify for small business assistance and compete as a small business for federal contracts. It was published as a final rule in the *Federal Register* on October 15, 2003, and is effective on November 14, 2003. Under the new rule, the sub-category of base maintenance will also increase from \$23 million to \$30 million.

The change was the result of numerous requests from small businesses in the facilities support services industry. Representatives from these companies argued that an increase in size standards is warranted to reflect the size of federal contracts in this industry and that it would allow them to grow to a size at which they can effectively compete with large businesses. Based on a review of these issues and data on the facilities support services industry, SBA concluded that a higher size standard for this industry is appropriate. SBA examined factors including average firm size, distribution of firms by size, start-up costs and industry competition.

“We recognized the potential for growth in this industry and increased the size standard to ensure that small businesses will receive access to capital and their fair share of contracting opportunities,” said SBA Administrator Hector V. Barreto.

SBA’s size standards define whether a business entity qualifies as small and whether it is eligible for government programs and assistance reserved for small businesses, including some programs in other agencies. Under the new rule, more small businesses will be eligible to apply for SBA’s financing and loan programs as well as contracting and business development programs such as the 8(a) Business Development program, HUBZone Empowerment Contracting program and small business set-asides.

Size standards are established separately for industry groups as defined by the North American Industry Classification System.

For additional information on the new size standard, visit the SBA’s Office of Size Standards Web page at [www.sba.gov/size](http://www.sba.gov/size), and click on “What’s New?”

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